

FISCAL NOTE

HB 3106 - SB 3029

March 21, 2006

SUMMARY OF BILL: Creates the *Returning Veterans Education Scholarship* to be funded from lottery proceeds and would provide a fifty percent (50%) tuition discount at in-state public postsecondary institutions for veterans who completed high school in Tennessee and are returning from active duty.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount exceeding \$1,747,000 in FY2006-07.

Assumptions:

- Any administrative cost associated with implementation of this program is estimated to be not significant.
- The increase in lottery expenditures would depend upon the number of veterans who received a GED or graduated from a high school in Tennessee and met all other eligibility requirements of the bill.
- Based on U.S. Department of Veteran's Affairs data, the number of Tennessee veterans discharged within the period 2001-2005 is 26,435. Of this number approximately 9,444 are assumed to be Tennessee high school graduates.
- Subtracting from this number those veterans who were not enlisted personnel, those with less than an honorable discharge, those with a college degree, and those who could not meet scholarship eligibility requirements, the number of veterans estimated eligible for the 50% tuition discount is estimated to be approximately 950 or 10% of those considered to be eligible Tennessee veterans.
- Average cost of tuition for FY05-06 was \$4,649 at a four-year public higher education institution, \$2,393 at a two-year institution, and \$1984 at a technical school.
- If the tuition discount is 50%, then the tuition discount amount which would be assumed by the student veteran is \$2,325 at four-year institutions, \$1,197 at two-year institutions, and \$992 at technical schools.

- Approximately 58% of veterans are estimated to attend a four-year institution, approximately 36% would attend a two-year institution, and approximately 6% would attend a technical school.
- Expenditures from lottery proceeds are estimated to increase in an amount exceeding \$1,747,000 in FY 06-07 based on an estimated 950 eligible veterans taking advantage of the tuition discount.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director